



energy fuels nuclear, inc.

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JUL 29 1991

DIVISION OF
OIL GAS & MINING

July 19, 1991

CERTIFIED MAIL

Mr. Holland Sheppard
State of Utah, Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Sahara Mine and Lisbon Valley Mine Site Reclamation

Dear Mr. Sheppard:

This letter is written as follow-up to our July 17, 1991, telephone conversation during which you approved the verbally described Energy Fuels Nuclear, Inc. (EFNI) reclamation planned for the Sahara Mine located near Green River, Utah and the Cord and Radon shafts located on property previously controlled by Atlas Minerals in Lisbon Valley near La Sal, Utah. Also some amendment of the Far West mine site reclamation procedure was discussed.

Radon and Cord Mines

Specifically, it was agreed that the Radon and Cord mine shafts may be sealed via the described procedure employing six-inch, steel tubing or wide flange beams placed on 4-ft. centers upon which $\frac{1}{2}$ " steel plate is welded to cover the shaft. The steel beam supports will extend two feet beyond the shaft collar perimeter and be supported by undisturbed natural rock formation or a concrete foundation (review Exhibit A, enclosed herewith). The steel plate will be covered with Hypalon or other acceptable material to prevent corrosion of the plate steel. A reinforced concrete plug may be installed as an alternative sealing method where applicable. The shaft and immediate area will be covered with rock and soil three to eight feet thick as added protection and to restore the original topography.

Surface plant buildings and mine debris will be removed, buried on site or disposed within the shafts prior to sealing. [The concrete building foundations at the Cord and Radon shafts will not be covered with soil as these locations are extremely remote and do not create a negative visual impact.]



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Far West Mine

Reclamation of the Far West mine site will continue as described within the September 28, 1988, correspondence from EFNI's Mr. William J. Almas, to your office which was subsequently approved by the State of Utah, Division of Oil, Gas and Mining (UDOGM) with October 5, 1988 reclamation/amendments. The approved reclamation procedures will be modified to permit concrete building foundations to remain exposed rather than covered with soil provided all protruding steel or hazard materials are removed. The difficulty of covering building foundations located upon solid rock above the canyon elevation is recognized by the UDOGM and also the Bureau of Land Management (BLM). Telephone communication (July 17, 1991) with Mr. Sal Venticenne, Bureau of Land Management (BLM) Area Geologist, supports the decision to allow building foundations to remain exposed provided all other hazards are removed.

Sahara Mine

The Sahara Mine located near Green River, Utah, Section 15, T25S, R14E, Emery County, Utah, will also be reclaimed as described during our telephone conversation. Your recent trip to this mine site was very timely and will assure that no reclamation work is overlooked. Specifically, the reclamation items will include the following:

1. Remove the exposed mine incline portal steel sets and install a bulkhead internally within the incline 50-feet from the surface collar. This section of incline will be backfilled with soil and rock to coincide with the original surface topography.
2. All fence enclosures, rock barriers, culverts or other access restrictions will be removed.
3. Waste rock generated during incline development will be sloped and contoured to natural profiles, blending with that of the surrounding topography.
4. The concrete building foundation will be covered with 12 inches of soil and scarified to the surrounding terrain. The water well will be grouted/sealed with Portland cement and the well house removed. A report of permanent well abandonment will be filed with the State of Utah, Natural Resources, Division of Water Rights.
5. Powder magazines and other structures or debris will be policed and buried on-site.



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6. Reestablishment of the original drainage system will be accomplished by removing the center berm of the water containment ponds. Berm material will be regraded to the original topography elevation and the perimeter will be contoured to assure reestablishment of original drainage.

Access roads along the pond perimeter will be recontoured to surrounding topography.

7. The upper, original mine decline, will be bulkheaded 50-feet from the surface elevation and backfilled to the original topography elevation. All debris will be buried inside the mine workings.
8. The section of power line (3,000 feet) emanating from the Utah Power and Light fused cut outs will be removed including all electric power poles which access the mine site and surface plant.
9. Recontoured areas will be scarified and seeded using a seed mixture approved by the BLM.
10. The mine site access road beginning from Highway 24 will be removed, scarified and reseeded.

The described reclamation work commitments should reflect the contents of our telephone conversation and provided no misinterpretation has been posted, work will begin at these sites during the week of August 5, 1991. Your acknowledgement and approval of the described reclamation procedures will be appreciated.

Very truly yours,

Roger B. Smith
Manger of Mining Operations

Enclosure: Exhibit A

cc: Mr. Bill Almas, EFNI
Mr. M. Vincelette, EFNI
Mr. Sal Venticenque (1 copy, Exhibit A)
BLM Grand Resource Area
885 South Sand Flats Road
Moab, Utah 84532